BULI RAMAIAH) : (a) Sir Exports during 1996-97 are estimated at US $ 33106 million representing a growth in dollar terms of 4.12% over the exports valued at US $ 31797 million during the corresponding period of last year. India's exports during April-May, 1997 are estimated at US $ 5401.41 million which is 1.98% lower than the level of corresponding period last year. There is a slow down but the growth is sustained on a higher basis.

(b) A slow down in exports during 1996-97 is to be viewed in the context of a substantial slow down in world trade at 4% growth during 1996 as compared to 19% growth in 1995, low/ negative import growth in India's major trading partners, a paradigm shift in demand for soft goods exported by India, sector-specific issues affecting gem & jewellery, leather sector etc. and infrastructural constraints. During April, 1997 the transporaters strike seems to have affected movement of export shimpment and the consequent export growth.

(c) Yes, Sir.

(d) The problems faced by exporters include domestic and international factors such as change in pattern of demand for India's export products, general slow-down in world export growth and decline in imports growth of some trading partners, non-tariff barriers etc.; sectoral problems are also faced by exporters on such as quantitiative ceilings on export of commodities, high transaction costs and infrastructural inadequacies.

(e) The restoration of 80 HHC benefits in terms of income tax exemption of export profits is expected to strengthen the incentives and competitiveness of exports. The simplification, transparancy and automaticity introduced in the new Exim Policy provides a hassle-free trading environment in which the exporters can concentrate on manufacturing & marketing of their products. The setting up of the Export Promotion Board would help resolving inter-Ministerial issues and give a national priority thrust to export efforts. Export promotion is a continuous process & necessary a steps are continuously being taken by the Government to improve export growth in consultation with trade and industry.

Diversification of MMTC's projects in Orissa

671. SHRI RAHASBIHARI BARIK: Will the Minister of COMMERCE be pleased to state:

(a) whether MMTC has now diversified its activities;

(b) if so, the new area taken up by MMTC in Orissa;

(c) whether some steel projects are proposed to be set up by MMTC in Orissa;

(d) if so, the areas identified for the purpose; and

(e) the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) to (e) Yes, Sir. MMTC propose to invest in the equity participation for setting up an Integrated Iron & Steel Plant *i.e.* Neelachal Ispat Nigam Limited (NINL) at Kalinganagar, Jaipur Dist., Orissa for production of 1.1 million tonnes steel wire rods, steel billets and pig iron per annum with the other promotoers, *i.e.* Govt, of Orissa, MECON and with some foreign investors. The estmiated project cost is Rs. 1510/crores.

MMTC also proposes to take up an equity for setting up a plant for manufacture of Blast Furnance (BF) grade metallurgical coke with an installed capacity of 8.82 lakh tonnes per annum at Kalinganagar, Dist. Jaipur, Orissa in the same complex as NINL. The Project cost is estimated at Rs. 480/-crores.

Setting up of a committee to restructure the MMTC and STC

672. SHRI JAYANT KUMAR MALHOUTRA:
SHRI GYAN RANJAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government have set up Committee to restructure the operations of MMTC and State Trading Corporation (STC) as part of efforts to eventually merge the two public sector trading houses;

(b) if so, the terms of reference and composition of the Committee;

(c) the date by which the Committee has been asked to submit its report; and

(d) steps taken to reduce duplication in operations of the two Corporations?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) to (d) No, Sir. However, in the context of the ongoing decanalised regime, an exercise for the reorganisation of work rataionalisation of STC & MMTC has been initiated with a view to prevent overlap of functions to the extent feasible in both the Corporations; to achieve a wider geographical coverage in the trading activities as well as to provide an intensive thrust towards exports of defined non-canalised items.

Government strategy to Increase Trade and Investment flow in the Country

673. DR. Y. LAKSHMI PRASAD; Will the Minister of COMMERCE be pleased to state:

(a) the overall Government strategy to increase trade and investment flows into the country; and

(b) the steps taken to build linkages with major trade blocks in the world?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) A number of measures have been taken by the Government to create a freer environment for trade. The new Exim Policy for 1997-2002 has considerably simplified the policy and procedures; imports are being gradually liberalised to facilitate availability of raw materials and inputs to the export sector besides widening and modernising the indigenous production base; country specific initiatives have been undertaken to promote trade; Export Promotion Industrial Park Scheme has been implemented to support the State Government in their export promotion effort; an India Brand Equity Fund has been created to create a good image for Indian products abroad; interactive discussions with Export Promotion Councils, Commodity Boards and trade and industry are held to boost exports; interest rate on export credit has been reduced and it has been decided to set up an empowered Export Promotion Board to resolve problems facing exporters expeditiously.

In order to raise investment flows the investment limits by individual Flls/sub accounts for FIIs in the total issued capital of individual companies has been raised from 5% to 10% subject however to investment by all FHs/NRIs/OCB in the aggregate being limited to 24% of the issued capital of the company. The limit of 24% has also been raised to 30% subject to (a) approval by the Board of Directors of the Company and (b) a Special Resolution passed by the General body of the Company to the enhanced limit of 30%. FIIs have been broad based through inclusion of university funds, endownment funds, charitable trusts/societies with a track record. FIIs have also been permitted to invest in unlisted companies with a view to attracting such investments.

(b) Among others, India has played a constructive role in the Indian Ocean Rim initiative which seeks to promote closer economic cooperation in the Indian Ocean region. Operationalisation of SAPTA (South Asian Preferential Trade Agreement) is another step in this direction and it is now proposed to achieve a South Asian Free Trade Agreement (SAPTA) by the year 2001.

Proposal to Start Coffee Processing Industry in Punjab

674. SHRI IQBAL SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to start a coffee processing industry in the State of Punjab by the Coffee Board;

(b) if so, the details thereof;

(c) if not the reasons therefor; and

(d) the steps being taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) to (do) No, Sir. The Coffee Board does not undertake commercial